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ORIGINAL

UNITED STATES GRAND JURY  
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

PHILLIP KENNER

Government  
Exhibit

exhibitoneeves.com #489  
3500 - TS - 1  
13-CR-607(JFB)

August 2009  
: Special

UNITED STATES COURTHOUSE  
500 Pearl Street  
New York, New York 10007

March 29, 2011  
12:33 a.m.

APPEARANCES:

ARLO DEVLIN-BROWN, ESQ.

Assistant United States Attorney

Rivka Teich, R.P.R., C.S.R.  
Acting Grand Jury Reporter



FINK & CARNEY  
REPORTING AND VIDEO SERVICES  
39 West 37th Street, 6th Floor, New York, N.Y. 10018 (212) 869-1500

8

1 T. Stevenson 03/29/11

2

2 (Colloquy Precedes.)

3 (Witness Enters Room.)

4 (Time Noted: 12:33 p.m.)

5 TURNER STEVENSON, called as a witness, having been  
6 first duly sworn by the Foreperson of the  
7 Grand Jury, was examined and testified as  
8 follows:

9 BY MR. DEVLIN-BROWN:

10 Q Please state your name and spell it for the  
11 record?

12 A Turner Stevenson, T-U-R-N-E-R,  
13 S-T-E-V-E-N-S-O-N.

14 Q Good afternoon. I'm Arlo Devlin-Brown. I'm an  
15 Assistant United States Attorney. You've been  
16 subpoenaed to testify to this Grand Jury, which is  
17 investigating various offenses involving securities  
18 fraud, bank fraud, other fraud offenses. I want to  
19 advise you that you're not a target or subject of the  
20 Grand Jury's inquiry, just subpoenaed as a witness.

21 Before we get started I make it a practice to  
22 advise you of certain rights that you and all witnesses  
23 have before the Grand Jury.

24 A Okay.

25 Q First of all, you have the right not to  
26 incriminate yourself, meaning if a truthful answer to a

1 T. Stevenson 03/29/11 17

2 (Colloquy Precedes.)

3 (Witness Enters Room.)

4 (Time Noted: 12:57 p.m.)

5 THE FOREPERSON: I remind you, you are still  
6 under oath.

7 BY MR. DEVLIN-BROWN:

8 Q The Hawaii project is called Little Isle IV; is  
9 that right?

10 A If that's the name they use, I just call it  
11 Hawaii.

12 Q When you put up the \$100,000 for Hawaii, did  
13 you have any understanding of whether the money could be  
14 used to pay for the Mexico project or was it just  
15 supposed to go to the Hawaii project?

16 A In the beginning it was supposed to go to  
17 Hawaii. Then I saw they needed, the group of us got  
18 together, we have this piece of land that's available  
19 for purchase in Mexico that we need too wait on or get  
20 funds on to transfer as a group like one big blanket to  
21 get money into Cabo and pay for that land to hold it  
22 until the loan came.

23 Q So are you saying you agreed to transfer some  
24 of the money from the Hawaii project to the Cabo  
25 project?

26 A I would say that, yes.

1

T. Stevenson 03/29/11

18

2

Q Who made that decision?

3

A I think all of us as a group.

4

Q What do you mean "as a group", who is the group?

5

A All the guys who were invested in it.

6

Q All the guys who were invested through Mr. Kenner, his clients?

7

A If all of them, yeah, and other guys that were invested in this; Mr. Jowdy I'm not sure.

8

Q Let me show you what's been marked 110A.

9

Before I do, do you remember getting reports or anything from Mr. Kenner about the status of Little Isle IV the Hawaii project?

10

A No.

11

Q Take a look at this and see if you remember ever getting anything like this.

12

(Witness reviewing document.)

13

A I think I remember seeing that.

14

Q How do you remember getting it?

15

A Through a fax maybe. Seeing these actual numbers that looks familiar to me.

16

Q Okay. Is he still your financial adviser?

17

A He is.

18

Q Roughly how much money is he managing for you?

19

A Probably five, 600,000.

After Kenner conference calls in 2004-06